

EXPLOITATION TYPOLOGY DETERMINATION

Census exploitations have been initially classified in five basic typologies: three correspond to size groups (small, medium and large), and the two remaining include exploitations that do not manifest forest/plant/animal activities and those without classification. The latter ones include exploitations without land, land delivered as a gratuity, exploitations without use of the agriculture soil and the units between census districts without a cartographic base.

Groups by Size

Classification of forest and plant/animal exploitations in the size level has been determined based on the following methodological steps:

- Determination of principal production sub-areas

To proceed, 18 homogenous areas were separated in 76 minor social productive sub areas. The latter ones were determined from the identification of dominant social productive patterns, with difference at the interior of each one of the original homogenous areas. The combination of variables was considered within this group, such as the usage of soil, productive performance, available capitalization, dominant technology, and estimated income, among others. This way, and starting from the identified features for each one of the 76 sub-areas, the surface size was stipulated in production, whose estimated reward would allow to differentiate the exploitations in accordance to their size scale.

- Limit Definition and Size

For each sub area the types of sizes were identified. They are expressed in physical hectares, considering also the types of soil usage, if they are of a risk type, dry type or a combination of both. In the case when exploitations presented risk cultivation and dryness at the interior, both surfaces were divided by the appropriate size type for the corresponding sub area. At the end, the two partial values were added.

The limits for each size strata were defined taking as basic reference the ones indicated for small size exploitations at each sub area. They were defined as follows:

Small exploitation: the maximum size for each homogenous sub area was qualitatively established in accordance to the limit established by INDAP's regional specialists who estimated that they succeeded in differentiating a country type agriculture, with an agricultural surface of higher market relevance. To determine the ceiling, the maximum land size established by INDAP for their beneficiaries was used as a reference, that is, 12 irrigation basic hectares, applicable in accordance to the characteristics of the soil for each one of the homogenous sub areas. In the majority of the cases, the defined upper limit for small size exploitations were slightly higher than the surface.

Medium Exploitation: correspond to those whose agricultural surface is higher than the upper limit determined for units designated as small and less than the greater exploitations.

Larger Exploitation: correspond to those in which the exploited agricultural surface permit to think about commercial rewards and important promotion benefits. Considering that CORFO criteria to differentiate medium and small business institutions (with annual sales of 100.000 UF), was not applicable to the agricultural area, due to the fact that the great majority was under this ceiling, an eminent qualitative criteria was used defined by qualified personnel and based on the performance of each local reality. This way, the size of the surface that was effectively exploited would allow among other characteristics not to count with the State financial support as a fundamental requirement to the development of the dominant production activities at the homogenous sub area in which it is located.

RECLASSIFICATION OF SMALL SIZE EXPLOITATIONS ACCORDING TO THE SURFACE AND PRODUCTION RESOURCES AVAILABLE

Subsequently, small exploitations were separated in two categories in accordance to their size and funding and technological differential incorporation. These are: the small business exploitations and subsistence exploitations.

Small Business Exploitations: It groups units that comply with the following two conditions:

a) Own a surface with forest/plant/animal usage equal or higher to the necessary minimum surface to allow a monthly minimum income (A monthly minimum income of \$ 90.500 or \$ 1.080.000 per year), in accordance to the predominant productive typology at each of the 76 identified homogenous sub areas;

b) Own a surface with agricultural usage of less than the above mentioned condition, only when it complies with some of the following productive-technological requirements:

- Legal condition of the company
- Technical or mechanical irrigation in a surface equal or greater to 1 ha.
- More than 1 mechanical machinery
- More than 1 permanent worker
- Surface of equal or higher than 0,2 ha. of in-house cultivation
- Vegetable surface of higher or equal to 1 ha.
- Fruit planting surface, excluding vineyards, of equal or higher than 1 ha.
- Vineyard surfaces: Country stub equal or higher than 1 ha, or greater or equal to 0,5 for the remaining of the grapevine stubs;
- Forest planting equal or higher than 20 ha.
- Existence of an equal or higher quantity of: 12 milk cows, 20 bovines, 60 ovine; 0100 caprine

In addition, included in the small exploitation category were those exploitations that even though, are under the above requirements, reflect an investment relation vs. potential income derived

from the accumulated combination of some variables. To be subject to this criteria, exploitations should have complied with the following minimum values:

- 5 ha. of forest plantation
- 0,5 ha. of vegetable cultivation
- 5 milk cows
- 5 bovines
- 15 sheep
- 50 caprine

Each variable was carried on to a percentage expression in relation to the minimum value that had as requirement to act by itself. When the addition of these partial percentages was equal or higher than the 100 value, exploitation was then classified as a small business.

Subsistence Exploitations: Subsistence exploitations are those originally classified of a small size, and that together with owning a lower agricultural surface to the one required to reach the monthly minimum income, does not comply with at least one of the above mentioned technological-productive requirements. The size does not allow to reach the monthly minimum income are those that remain under the indicated ceiling for the small size strata at each one of the identified sub area (see Annex).

Finally, the different groups proposed in this study permit to estimate the relative capacity of exploitations to confront the productive demands that the present marketing process imposes. This way, in the short term future, exploitations with a lower incorporation of funds and technology are the ones that would present greater difficulties. Contrary to, small size business units, in conjunction of medium and larger ones will find themselves in a more favorable position, either because of their level of available capitalization or due to their production scale.